RAJYA SABHA

Wednesday, the 23rd March, 1988/3 Chaitra, 1910 (Saka)

The House met at eleven of the clock, **Mr. Chairman** in the Chair.

ORAL ANSWERS TO QUESTIONS

Deterioration in AI performance despite the change in the Board of Directors

*401. SHRI GURUDAS DAS GUPTA: Will the Minister of CIVIL AVIATION be pleased to state :

(a) whether it is a fact that the performance of the Air-India had deteriorated during the year 1986-87 despite the inclusion of high-powered personnel from various fields in the board of directors;

(b) if so, what are the details in this regard; and

(c) what steps are proposed to be taken to improve the performance of Air India?

THE MINISTER OF HEALTH AND FAMILY WELFARE AND THE MINISTER OF CIVIL AVIATION (SHRI MOTI LAL VORA): (a) to (c) A Statement giving the requisite information is placed on the Table of the Sabha.

Statement

(a) and (b) During the year 1985-86, Air-India recorded a net profit of Rs. 66.00 crores, which amount included Rs. 17.79 crores depreciation written back due to the loss of Kanishka (VT-EFO). In 1986-87, though the profit was only Rs. 30.16 crores, there was an increase in the number of passengers and freight carried as well as the passenger and overall load factors.

(c) To further improve the performance of Air India, the following steps are being undertaken:—

(i) As the first step towards improving the product, a faster non-stop service between India and UK has been introduced with effect from 15th February, 1988.

(ii) Efforts are being made to improve inflight services and ground handling.

(iii) In order to update and augment the Air India fleet, two Boeing 747-300 (Combi) aircraft will be inducted in October|November, 1988.

(iv) A special cell has been created for business class traffic with a view to improving yields.

(v) Computerised passenger check-in has been introduced in Bombay and Delhi is gradually being extended to other airports.

SHRI GURUDAS DAS GUPTA : Mr. Chairman, Sir, the statement that the Minister has made before the House is really evasive. He has to admit that there has been a decline in profits. In 1985-86, it was about Rs. 66 crores and the next year it slumped down to Rs. 30 crores. There has been a sharp decline of profit of Air India, undoubtedly. What have been the causes? The Minister has been silent over this. According to me, the loss is Rs. 30 crores annually. It is a strain on the budget of the Air India because of capital and interest cost. The country has purchased a number of new aircraft and from whom have we purchased and what is the price? As is well known, there has been a canard against India's Airlines in the Western countries. Even then our love for the Western aircraft has not been lacking. We have been purchasing Boeings from America or Airbuses from France and Britain. My point or question is, why is it that we are purchasing aircraft exclusively from the Western countries which is having a serious constraint on our foreign exchange, without considering the proposal of purchasing even better type of aircraft from the Soviet Union who are ready to have an agreement on the basis of rupee payment? Why is it exclusively from the Western countries that we are purchasing aircraft which is having so much of big constraint on our foreign exchange reserve?

SHRI MOTI LAL VORA: Sir, the first question the hon. Member has asked is regarding minimization of profits. In the

year 1985-86, as I have said, we got a net profit of Rs. 66 crores. In the year 1986-87 the profit was reduced to Rs. 30.16 crores. As the hon. Member has very well said, it is due to depreciation of about 6 aircraft we had to purchase. We had to pay depreciation of Rs. 60.22 crores, insurance of Rs. 12.34 crores and interest of Rs. 43.97 crores. This all comes to Rs. 111 crores. But overall performance of the Air India, if I may say so, has improved very much. The revenue passenger carried during the year 1985-86 was 17,80,027 and in the year 1986-87 it was 18,30,078. Passenger load factor in comparison to 85-86 has gone high. It was 66 in the year 1985-86 and in the year 1986-87 68.8. Overload factor has also risen, it has gone up from 60.4 to 63.1. So, in all these cases we may say that the performance of Air India has not deteriorated. The reason for losses or minimisation of profit, I have narrated very well.

SHRI GURUDAS DAS GUPTA : Before I put my second supplementary, I seek your protection.

MR. CHAIRMAN : His question is, why are you purchasing aircraft from Western sources and not from the Soviet Union ?

SHRI MOTI LAL VORA: Sir, the Air India has taken on net lease basis IL-62M from the USSR. So, we have taken from the USSR also.

SHRI GURUDAS DAS GUPTA : Sir, he has not answered why it is that you are purchasing exclusively from them without considering the proposal from others. That aircraft we can purchase on money basis. I want protection, Sir. I want an answer to this before I put my second supplementary.

SHRI MOTI LAL VORA : Sir, the aircraft is purchased from wherever we get it at a reasonable rate. It does not mean that we are purchasing at higher rates. When we find reasonable rates somewhere, we go there for purchase. That is a very simple thing.

SHRI K. MOHANAN : What about the quality.

SHRI GURUDAS DAS GUPTA : Sir, the Minister is actually reading the statement prepared for him by the bureaucracy. I pity him because he is new in the post.

SHRI MOTI LAL VORA : Sir, the hon. Member has said that the answer I am answering has been prepared by the bureaucracy. I do not deny it. The bureaucracy has to assist, no doubt. But what I am saying has not been prompted by the bureaucracy. I am not getting any prompting from the bureaucracy. I am here to reply to the hon. Members. Definitely I have got the answer prepared by the bureaucracy. I do not deny that at all.

We have taken IL-62M from the USSR. Let my friend also know this.

SHRI GURUDAS DAS GUPTA : My second supplementary, Mr. Chairman, I am not against the bureaucracy. But I do not want the bureaucracy to be over the head of the Minister. It seems that the bureaucracy is over he head of the Minister.

SHRI MOTI LAL VORA : I deny that the bureaucracy is over the head of the Minister. Neither has it been so at any time, nor is it so today nor will it be so in future.

SHRI GURUDAS DAS GUPTA : Sir, my second supplementary is about the constitution of the Board. It is a case of pity that the Board of Air India is being dumped wih people in leading positions who are having no faith in the policy and philosophy of public sector. The Government of India has brought in Mr. Rattan Tata to head the Board. Mr. Rattan Tata belongs to the same group in which Mr. J. R. D. Tata had pleaded for denationalisation or privatisation of Air India. Therefore, my second supplementary to the Minister is whether the Minister will consider the question of commitment towards the public sector before appointing them on the Board of Air India in the future.

SHRI MOTI LAL VORA : Sir, we are very well satisfied that the persons who have been included in the Board are emi-

nent and they have knowledge and expertise also. So, we do not think of changing them at the moment. As and when it arises, we will again think over that.

SHRI A. G. KULKARNI : Sir, the hon. Minister in reply to the question has given certain measures which have been adopted to improve the efficiency. Sir, I am only worried, and I want to know this specifically from the hon. Minister. During the last one-and-a-half years there were about five reported incidents in which the Air India flights which had carried the Prime Minister abroad had developed nags. Has the hon. Minister any explanation to offer ? The snags have been very adversely commented upon. They were endangering the life of the Prime Minister of this country. Will the Minister take proper steps in this respect ? Even by the recent judgement one Managing Director or Deputy Managing Director has been absolved. But the point remains. He might have been absolved on technical grounds But the maintenance and efficiency of the aircraft for VVIPs have to be maintained because it will create a confidence in the travelling public from abroad and from this country.

Secondly, I would like to say that the Minister should not be carried away by the propaganda that the Board and the Chairman must be committed to socialism and to achieving commanding heights. This is all *Bakwas*. What he should be committed to is to the increasing efficiency of the organisation, and nobody else. So, I will request the Minister not to get carried away by such a notion.

SHRI MOTI LAL VORA : Sir, we have noted the suggestion given by the hon. Member. We will take all precautions. As regards the Board Members, as the hon. Member has said, we have achieved efficiency in the last one and a half year as I have narrated it earlier.

SHRI A. G. KULKARNI: What about the snags?

SHRI MOTI LAL VORA: As I have told you already, we will take all precautions.

SHRI A. G. KULKARNI: What about the press reports about what has happened? Is it correct?

SHRI MOTI LAL VORA: I do not deny what has been reported in the press. Definitely we will look into it and all precautions will be taken in future.

DR. (SHRIMATI) SAROJINI MAHISHI: Air India's performance was well known abroad once upon a time. I would like to know why this deterioration has taken place as far as its per performance represented in money value is concerned. Instead of getting Rs. 60 crores, they have earned Rs. 34 crores in the following year. I would like to know what are the other international airlines with whom the Air India is in pool in the west and also in the East, if possible.

SHRI MOTI LAL VORA: As I have already said the detericration, as has been made out, is not like that. We have some plus points also in carrying the passengers. In that the load factor and also efficiency has increased. As regards the credibility of Air India, it is still high. It has been reported in the Press that according to the Survey conducted in Geneva its credibility has been lost. That is not correct. They have themselves categorically denied and said the Air India was not included at that time. I have got the information with me.

DR. (SHRIMATI) SAROJINI MAHISHI: My question was, what are the other international airlines with which the Air India is in pool in the Western region and also in the Eastern region?

SHRI NIRMAL CHATTERJEE: The question is why the financial operations of the Air India have deteriorated. That question he is not answering.

SHRI MOTI LAL VORA: I have said that the financial operation of the Air India has not deteriorated. I am saying that emphatically. It has not deterioated, but because of the purchase of the Airline last year in the year 1986 we had to go in for depreciation. That is a thing which must be taken into account. Depreciation, interest and also insurance cost

have made the profit lesser than what it was in 1985-86.

DR. (SHRIMATI) SAROJINI MAHISHI: Sir, my question has not been replied to. My question was, what are the other international airlines with whom the Air India is in pool in the Western regions?

SHRI MOTI LAL VORA: Sir, I request a notice for that.

SHRI RAJNI RANJAN SAHU: The hon. Minister has said that the profitability is not declining and has given some figures towards deprecaition and interest. But while replying to Unstarred Question 235 dated 24th February, 1988, he had said that in cargo traffic London-Delhi-London in 1985-86 it got 30.40, in 1986-87 it got 37.85 and in 1987-88 its earning had declined to 28.60. Likewise, London-New York-London formely in 1985-86 it got 12.60 and in 1986-87 this figure had come down to 11.20 and in 1987 88 it had come down still further to 9.20. May I know from the hon. Minister what is the profit before depreciation and interests? May I know from the Minister whether the Government is thinking to change the general sales agent who does not have previous experience of this line and that is why the profitability in cargo traffic is declining?

SHRI MOTI LAL VORA: Sir, as far as the cargo traffic is concerned, it is not declining. Whatever suggestions the hon. Member has given we will definitely examine so that the performance of the Air India and its cargo improves.

SHRI PARVATHANENI UPENDRA: Sir, there are two or three factors which I would like to bring to the Minister's notice. One is, Air-India has been losing $8 million annually on one sector, that is, from India to the United States, to New York. Secondly Air-India has 17,000 employees and is operating only 20 aircraft as against Singapore Airlines which employs 9,000 people and operates 38 aircraft. Therefore, theree is something seriously wrong with Air-India. My specific question is: the Managing Director of Air-India whether he is committed o the brand which Mr. Das Gupta meant, I do not know, but he is committed to the organisation, as far as we know, he is an efficient man, we know. He has said in an interview to the New York Times "Most of the probelms of Air-India are arising because of political interference at all levels including Government meddling in such areas as staff appointments." Mr. Vora has come now, I don't think he meant him.

Whatever his party thinks, we feel that he is an efficinet Minister. Will he kindly find out what are thte areas of political intereference which the Managing Director has in his mind and try to remove them so that the airlines can become viable?

SHRI MOTI LAL VORA: Sir, the hon. Member has said about the political interference in Air-India and the Managing Director's interview to the New York Times. I do not say that he has not given an interview. He has given. But I assure the hon. Member that there will be no political interference. We want to make Air-India efficient and for that whatever is needed we will do. But political interference will not make Air-India sufficiently efficient. So I can assure this thing also.

श्री सुरेन्द्रजीत सिंह अहलुवालिया : सभापति महोदय, आपके माध्यम से मैं मंत्री महोदय से जानना चाहता हूंकि जहां तक परफारमेंस की बात है, उसको रुपयों पैसों में न तोला जाए, लेकिन जैसा कि हमारे पूर्व प्रश्नकर्ताओं ने पूछा कि एयर इंडिया की परफारमेंस दूसरे तरीके से भी कम रही है और कहीं कहीं लासेज हो रहे हैं, तो उनको दूर करने के लिए बोर्ड गठित करते समय उसमें संसद सदस्यों को भी मेंम्बर रखा है और अगर नहीं तो क्या किसी संसद सदस्य को आपने इस लायक नहीं समझा क्योंकि संसद सदस्य केवल संसद सदस्य ही नहीं है, बल्कि वे जिम्मेदार व्यक्ति हैं, ? आप उसमें ऐफिशियंट इंडस्ट्रियलिस्ट को मैनेजिंग डाइरेक्टर रखते हैं, लेकिन वे एकाउंटेबल टु पब्लिक नहीं होते। तो जो एकाउंटेबल टु पब्लिक होते हैं, उनको सदस्य बनाकर

उसकी परफारमेंस को सुधारा जा सकता है, इसके बारे में क्या आप विचार करेंगे, यह मैं मंत्री महोदय से जानना चाहता हूं।

श्री मोती लाल वोरा : माननीय सभापति जी, माननीय सदस्य ने बोर्ड के बारे में कहा कि माननीय सदस्यों को इसमें क्यों नहीं रखा गया क्योंकि वे इसके लिए योग्यता रखते है और वे अच्छी सलाह दे सकते हैं। बोर्ड में जिन लोगों को मैम्बर बनाया गया है, उन सब लोगों ने अपने अपने क्षेत्र में विशेष रूप से इस बात को सिद्ध किया है कि वे इस उद्योग को और अच्छा बना सकते हैं, इस उद्योग में सलाहकार के रूप में काम कर सकते हैं। फिर भी माननीय सदस्य ने जिस बात को कहा है, हम उस पर विचार करेंगे और माननीय सदस्यों को कहां तक लिया जा सकता है, इस पर बिन्दुवार विचार करेंगे। मैंने स्पष्ट रूप से कहा है उस पर पूरी तरह से बिन्दुवार विचार किया जायेगा। आई हैव नोट सैड कि उनको नहीं लिया जायेगा। मैंने कहा कि बिन्दुवार विचार किया जायेगा।

श्री चतुरानन मिश्र : मंत्री महोदय ने जायज ही कहा कि पश्चिम से हो चाहे सोवियत रशिया से हो जहां से भी सस्ते और अच्छे हवाई जहाज मिलेंगे वह हम लोग लगे। मैं इस विचार से सहमत हूं लेकिन मैं मंत्री महोदय से यह जानना चाहता हूं कि जो हवाई जहाज की खरीदी हुई उसमें दोनों पक्ष, सोवियत संघ और पश्चिम से जो प्राइस कोटेशंस लिये गये थे वे दोनों के क्या हैं ? तुलनात्मक ढंग से देखने के लिए मंत्री महोदय बता दें तो अच्छा है। दूसरी बात इसी मुद्दे पर यह है कि एफिशियंसी और तेल खर्च के सम्बन्ध में भी दोनों में क्या फर्क है। यह भी मंत्री महोदय बता दें। तीसरी बात यह जानना चाहता हूं कि रूपी ट्रेड से लेने की बात थी तो फारेन एक्सचेंज के पहलू को देखते हुए इस पर विचार किया गया क्या ?

श्री मोती लाल वोरा : माननीय सदस्य ने जिन तीन प्रश्नों की ओर ध्यान दिलाया हैं मैं समझता हूं वे प्रश्न न होकर प्रश्नोत्तर ही हैं। माननीय सदस्य ने ठीक ही कहा कि जहां पर हमें अच्छे हवाई जहाज उपलब्ध होंगे, उनकी कीमत अगर सोवियत संघ में, पश्चिम में कम है, अन्य मुल्कों से तो हम इन्हीं से खरीदेंगे। जहां सस्ते होंगे, अच्छे होंगे, आपरेशन कास्ट कम हो, फ्यूल कंजम्पशन कम हों वहां से हम निश्चित रूप से खरीदने के लिए विचार करते है। लेकिन जो आंकड़े उन्होंने चाहे अभी कि क्या उनकी दरें थी तो अभी तो मेरे पास वह उपलब्ध नहीं हैं। माननीय सदस्य को इसकी जानकारी दे दूंगा। मैं स्वयं सदस्य को जानकारी दे दूंगा।

SHRI SURESH KALMADI: Sir, my question relates to marketing of Air India. I have read a newspaper report that Air India plans to do away with the symbol of Maharaja as the mascot. I would like to have confirmation on that. Secondly, the losses of Air India are on most sectors. The only major profitable sector of Air India is the Gulf sector where I think very exorbitant rates are being charged to our countrymen coming back from Gulf especialy people from South India like Kerala etc. I would like to know why such exorbitant rates are being charged and whether Air India is considering reducing the rates for the Gulf passengers coming back to India.

SHRI MOTI LAL VORA: Sir, as the hon. Member has said, I may read out the whole frequency per week of Air India. As far as India and Gulf countries are concerned, out of 100, we are having 53 frequencies so that the Gulf countries are being given proper... (*Interruption*)...

SHRI SURESH KALMADI: I am not asking that. I am asking about the exorbitant rates which are being charged from the passengers.

SHRI MOTI LAL VORA: Generally, they are reducing the rates sometimes. So the losses which they are incurring are because of the reduction of rates there. They generally reduce the fare and we have to complete with the international market.

SHRI SURESH KALMADI: There is no competition.

SHRI MOTI LAL VORA: There is competition. When they reduce the fare... *(Interruption)*...

SHRI SURESH KALMADI: Nobody has been allowed to fly in that sector. Where is the competition?

SHRI ATAL BIHARI VAJPAYEE: My information is that Maharaja is transferred to the Railways from Air India.

एक माननीय सदस्य : महारानी के बारे में ...(**व्यवधान**)

श्री मोती लाल वोरा : पहले माननीय सदस्य तय कर लें कि महाराजा के बारे में जानना चाहते हैं या महारानी के बारे में जानना चाहते हैं । हम तो साधारण व्यक्ति हैं हम महाराजा और महारानी के बीच में क्यों पड़ें । जहां तक एयर इंडिया का सवाल है मैंने कहा है कि हम इस पर विचार कर रहे हैं । जो आपने पूछा कि क्या हम उसे हटाने पर विचार कर रहे हैं तो मैं यह कहना चाहता हूं कि अभी हमने इस पर कोई विचार नहीं किया ।

श्री जगदम्बी प्रसाद यादव : माननीय सभापति जी, मैं यह कहना चाहता हूं कि गल्फ कन्ट्रीज में हमारी जो हवाई सेवा है और अमेरिका और यूरोपियन कन्ट्रीज में हमारी जो हवाई सेवा है, इन दोनों से जो कुछ लाभ भारत सरकार को हो रहा है, एयर इंडिया को रहा है, उसमें मेग्जिमम लाभ गल्फ कन्ट्रीज से ही हो रहा है । अमेरिका और यूरोपियन कन्ट्रीज के लिए जो हमारी सेवा है उसमें घाटा ही घाटा है । ऐसी स्थिति में क्या यह सही है कि जो सुविधाएं यूरोपियन कन्ट्रीज और अमेरिका को जाने वाले यात्रियों को दी जाती है वे गल्फ कन्ट्रीज के लिए जो हमारे भारतीय यात्री हैं उनको नहीं दी जाती हैं ? क्या भारत सरकार इस बात पर विचार करेगी कि गल्फ कन्ट्रीज के यात्रियों को भी वही सुविधाएं प्रदान की जाय जो सुविधाएं यूरोपियन कन्ट्रीज और अमेरिका को जाने वाले यात्रियों को दी जाती है ? गल्फ कन्ट्रीज में कम सुविधाएं देने का क्या यह कारण नहीं हैं कि अमेरिका और यूरोपियन कन्ट्रीज को जाने वाले अधिकतर यात्री पोलिटिशियन या बड़े-बड़े सरकारी अधिकारी होते हैं और गल्फ कन्ट्रीज में जाने वाले भारतीय काम करने वाले मजदूर या कामगार लोग होते हैं, इसलिए उनको वे सुविधाएं प्राप्त नहीं है ? क्या सरकार दोनों में पेरिटी लाने पर विचार करेगी ?

श्री मोती लाल वोरा : जरूर विचार करेंगे क्योंकि गल्फ कन्ट्रीज के संबंध में पिछले तीन वर्षों का हमारा अनुभव है कि सन् 1985–86, 1986–87 और 1987–88 में इन देशों में हम जो सुविधाए दे रहे है, जो हमारी हवाई सर्विस की फ्रीक्वेन्सी है, निश्चित रूप से उससे हमें लाभ मिला है । जहा तक सुविधाएं देने का सवाल है, हम निश्चित रूप से इस पर विचार करेंगे ताकि उनको भी उसी मात्रा में सुविधाएं मिल सके जो अन्य स्थानों पर दी रही हैं ।

SHRI RAOOF VALIULLAH: Sir, a survey was undertaken recently by the International Foundation of Airlines Passengers' Association in which Air India was listed as one of the ten most disappointing airlines. How did they come to this conclusion? I would also like to know from the hon. Minister whether, in view of this report and the survey conducted by the International Foundation of Airlines Passengers' Association, corrective measures have been taken by the management of Air India to improve its image.

SHRI MOTI LAL VORA: Sir, in the recent survey conducted by the International Foundation of Airlines Passengers' Association in Geneva, as the hon. Member said, Air India had been listed among the world's ten most disappointing airlines. They have said this under the parameters with which the survey was undertaken. Air India took up this matter with Mr. Lippman, Executive Director of the Association, in Geneva in November/December 1987. The Executive Director has categorically stated that the reference to Air India is incorrect.

MR. CHAIRMAN: The matter ends. Shri Narayanasamy.

SHRI V. NARAYANASAMY: Mr. Chairman, Sir, the hon. Minister is telling us that the performance of Air India has not deteriorated. Sir, Mr. Rajan Jaitley, the Managing Director of Air India, has written to the employees of Air India stating that "to restore the image of Air India" which on his own admission has declined of late... He has said that Air India has enjoyed a lot of glory earlier but, unfortunately, in the last few years, it has been gradually deteriorating and the standard is going down. I would like to know from the hon. Minister whether the version of the Minister is correct or the version of the Managing Director is correct. And the Minister has given certain proposals for improving the efficiency in his reply. When have those proposals been implemented?

SHRI MOTI LAL VORA: Sir, the Managing Director, as you know, has contradicted that report. Just now, in my reply to Mr. Upendra, I have said. He has given an interview. After that he has contradicted that item.

SHRI V. NARAYANASAMY: Sir...

MR. CHAIRMAN: He has given his answer.

SHRI V. NARAYANASAMY: I am quoting. Has he written to the employees of Air India to improve the efficiency and performance?

MR. CHAIRMAN: That is always there.

SHRI MOTI LAL VORA: Sir, my submission is this. A Managing Director, whether he is in Air India or elsewhere, has a duty to write to his employees to improve the efficiency and to improve the working. I think it is not wrong. If he has written so, what is wrong in it?

ठाकुर जगतपाल सिंह : एफिसियेंसी बढ़ाने के लिये कोई भी कह सकता है।

श्री सभापति : बेटर एफिसियेंसी के लिये कहा जाता है।

*402. [*The questioner (Shri Basudeb Mohapatra) was absent. For answer, vide col.* 29 infra].

*403. [*The questioners (Shri Mukhtiar Singh Malik and Shrimati Renuka Chowdhury) were absent. For answer, vide col.* 30 infra].

Visit of Indian Tennis team to Israel

*404. SHRI M. A. BABY: Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

(a) whether Indian Tennis team has been given permission to visit Israel to play Davis Cup matches there; and

(b) whether any other sports or cultural team/artistes from India visited Israel in the recent past and if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENTS OF YOUTH AFFAIRS AND SPORTS AND WOMEN AND CHILD DEVELOPMENT IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (SHRIMATI MARGARET ALVA): (a) No, Sir.

(b) No, Sir.

SHRI M. A. BABY: Mr. Chirman, the reply may appear to be very satisfying but unfortuantely with the kind of experience we have with the behaviour of our Government I do not think that this reply can be taken on its face value. For example, last year Israeli tennis team visited our country and played the quarter finals in the Davis Cup...

MR. CHAIRMAN: The question is specific and the answer is specific.

SHRI M. A. BABY: In relation to that I want to ask the honourable Minister, through you, whether the Government will give me a categorical reply that Indian tennis team will not be permitted to visit Israel. Here it is said that permission is not yet granted...

MR. CHAIRMAN: Your question was specific and the answer was specific. Now you want to know about future.